Message Text

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64

ORIGIN ERDA-07

INFO OCT-01 ARA-10 ISO-00 OES-05 FEA-01 ACDA-10 CIAE-00

INR-07 IO-10 L-03 NSAE-00 NSC-05 EB-07 NRC-07 /073 R

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DRAFTED BY: USERDA:R,N.MOORE APPROVED BY: OES/SCI-DIXON HOYLE USERDA:DANIEL J SHILLER ARA/NC:DAVID COX

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R 192218Z JUN 75 FM SECSTATE WASHDC TO AMEMBASSY BOGOTA

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E.O. 11652: N/A

TAGS: EAID, TECH, CO

SUBJECT: NUCLEAR AFFAIRS INSTITUTE REQUEST FOR ASSISTANCE

REF: BOGOTA 3888

- 1. FOR EMBASSY INFORMATION USAEC (NOW ERDA) ANNOUNCED ON MARCH 30, 1973, (38 FR 8292) THAT EFFECTIVE JUNE 30, 1973, LEASE OF SPECIAL NUCLEAR MATERIAL WOULD CEASE BUT EXISTING LEASES COULD BE EXTENDED TO DECEMBER 31, 1974, BY WHICH DATE LESSEE WOULD HAVE TO OBTAIN TITLE TO, OR RETURN, MATERIAL. COLOMBIAN INSTITUTE OF NUCLEAR AFFAIRS WAS INFORMED OF THIS CHANGE BY LETTER DATED APRIL 3, 1973, AND LEASE WAS EXTENDED TO DECEMBER 31, 1974.
- 2. TERMS OF LEASE WITH COLOMBIA REQUIRE THAT MATERIAL BEING RETURNED TO THE U.S. FOR CREDIT BE IN STANDARD FORM (UF6) MEETING ESTABLISHED SPECIFICIATIONS. ERDA, AT ITS DISCRETION, MAY ACCEPT MATERIAL IN DIFFERENT FORM AND SPECIFICATION IN WHICH CASE LESSEE MUST PAY A SERVICE CHARGE FOR PROCESSING MATERIAL TO STANDARD FORM AND SPECIFICATION. THE CURRENT VALUE OF MATERIAL HELD BY COLOMBIA IS \$42,834.65; HOWEVER, THE PURCHASE PRICE WILL BE THAT IN EFFECT ON THE DATE PAYMENT IS UNCLASSIFIED

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RECEIVED BY THE USERDA AND SINCE PRICES INCREASE EVERY JULY 1

AND JANUARY 1, IF PAYMENT IS RECEIVED AFTER JULY 1, 1975 THE PURCHASE PRICE WCLL BE EVEN HIGHER. USE CHARGES AT THE RATE OF 7.5 PCT APPLY ON VALUE OF MATERIAL THROUGH FEBRUARY 28, 1975; SINCE THAT DATE DELINQUENT ACCOUNT CHARGES AT RATE OF 12 PCT PER ANNUM HAVE BEEN ACCRUING. CHARGES WILL CONTINUE TO ACCRUE UNTIL MATERIAL HAS BEEN PURCHASED OR RETURNED TO U.S. IN STANDARD FORM AND MEETING SPECIFICATIONS. USERDA CANNOT AGREE TO REVERTING TO THE 7.5 PCT CHARGE AS MENTIONED IN PARAGRAPH 4 OF REFTEL.

3. IF COLOMBIA DESIRES, REPROCESSING SERVICES MAY BE OBTAINED IN ACCORDANCE WITH THE AGREEMENT FOR COOPERATION BETWEEN THE UNITED STATES AND COLOMBIA. IF ERDA IS TO REPROCESS THE FUEL IT WILL BE NECESSARY TO EXECUTE A REPROCESSING CONTRACT. FROM START OF NEGOTIATIONS TO SETTLEMENT UNDER A REPROCESSING CONTRACT REQUIRES ABOUT ONE YEAR. SETTLEMENT CAN BE ACCOMPLISHED WITHOUT ACTUAL REPROCESSING OF FUEL BEING COMPLETED AND SUCH SETTLEMENT CONSTITUTES EFFECTIVE RETURN OF FUEL AS UF6. TO AID IN ESTIMATING PROBABLE COSTS OF REPROCESSING ON ASSUMPTION THAT SMALL BATCH OPTION WILL APPLY WE FURNISH FOLLOWING DATA: FOR URANIUM-ALUMINUM ALLOY FUEL, IN BATCH CONTAINING LESS THAN 400 KILOGRAMS TOTAL WEIGHT OF URANIUM AND ALUMINUM METAL AND THE U-235 CONTENT OF WHICH DOES NOT EXCEED TEN PERCENT OF TOTAL WEIGHT OF URANIUM AND ALUMINUM METAL, THE CHARGE IS \$145 PER KILOGRAM OF THE TOTAL WEIGHT OF URANIUM AND ALUMINUM METAL. A CHARGE OF \$100 PER KILOGRAM OF CONTAINED URANIUM FOR ASSUMED CONVERSION OF URANYL NITRATE TO UF6 WILL APPLY. IN ADDITION, SHIPPING CHARGES ON A CONSTRUCTIVE BASIS WILL APPLY FOR TRANSPORT OF MATERIAL FROM SAVANNAH RIVER PLANT TO THE OAK RIDGE PLANT AT \$0.70/KG U AND OTHER MISCELL-ANEOUS CHARGES, SUCH AS STORAGE, OVERTIME CHARGES FOR AFTER-HOURS DELIVERY ETC., MAY APPLY. TRANSPORTATION COSTS OF SPENT FUEL ELEMENTS FROM COLOMBIA TO SAVANNAH RIVER PLANT SHOULD BE INCLUDED IN ANY ESTIMATE OF COSTS. PRICES QUOTED ABOVE ARE SUBJECT TO CHANGE BUT THEY SHOULD BE SUFFICIENT TO PERMIT COLOMBIA TO OBTAIN REASONABLE COST ESTIMATE OF REPROCESSING.

4. SHOULD COLOMBIA WISH TO PURSUE IDEA OF REPROCESSING CONTRACT ERDA WILL BE GLAD TO PROVIDE ADDITIONAL INFORMATION. UNCLASSIFIED

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5. WITH RESPECT TO COLOMBIA'S REQUEST FOR ASSISTANCE IN FINANCING DR. WILLIAM KERR'S VISIT ERDA HAS NOT FUNDS AVAILABLE FOR THIS PURPOSE. COLOMBIA MIGHT FIND IT HELPFUL TO APPROACH IAEA, VIENNA, FOR ASSISTANCE IN FUNDING SUCH VISIT AS WELL AS FOR ASSISTANCE IN MEETING ITS REACTOR FUEL REQUIREMENTS. KISSINGER

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